

## **INTERNAL SERVICE FUND**

	<b><u>2012-2013</u></b> <b><u>Actual</u></b>	<b><u>2013-2014</u></b> <b><u>Budget</u></b>	<b><u>2014-2015</u></b> <b><u>Budget</u></b>
<b>Revenues:</b>			
Miscellaneous	\$87,148	\$190,000	\$190,000
Contributions	6,829,340	7,565,000	7,848,000
Transfers In	27,254,806	29,338,630	30,367,855
Fund Balance Undesignated	0	1,478,715	1,780,000
Interest Income	27,244	32,000	32,000
	<u>\$34,198,538</u>	<u>\$38,604,345</u>	<u>\$40,217,855</u>
<b>Expenditures:</b>			
Professional Fees & Services	\$63,022	\$9,000	\$80,000
Administrative Fees	1,418,854	1,466,540	1,768,650
Claims	32,781,425	36,960,545	38,182,040
State of Connecticut Fees	131,500	168,260	187,165
	<u>\$34,394,801</u>	<u>\$38,604,345</u>	<u>\$40,217,855</u>

***The totals of three funds are combined to form the Internal Service Fund.***

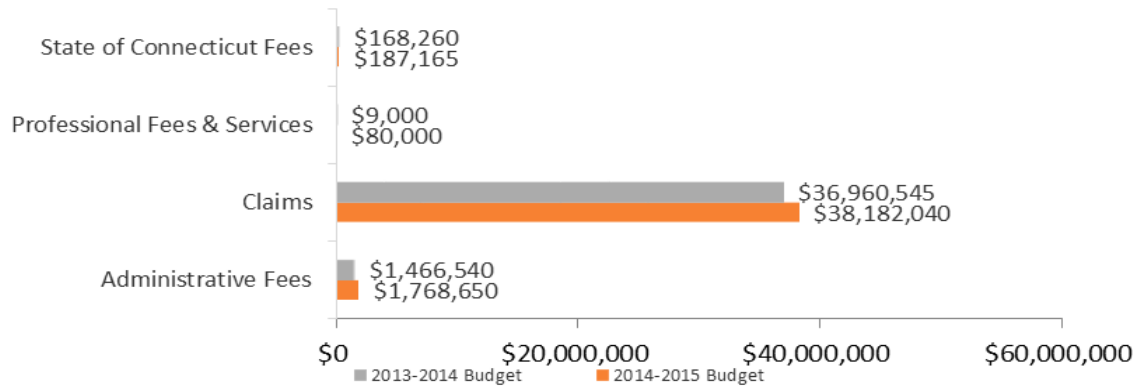
The Internal Service Fund is the combination of the City's Health Benefits Fund and the "Old" and "New" self-insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna HealthCare, Express Scripts, and Anthem. This fund accounts for medical, prescription and dental claims for all eligible employees and retirees. The "New" Workers' Compensation Fund is also a self-insured fund and is administered by PMA Management Corporation. The "Old" Workers' Compensation Fund contains no budget and no actuals. It is in existence to pay open claims from 1985-1988.

The total budget increased 4.18% or \$1,613,510. The majority of the increase is to account for projected increases in health claims and administrative fees. Another component of this increase is for 2<sup>nd</sup> Injury Funds for the State of Connecticut. These fees are based on workers' compensation claims.

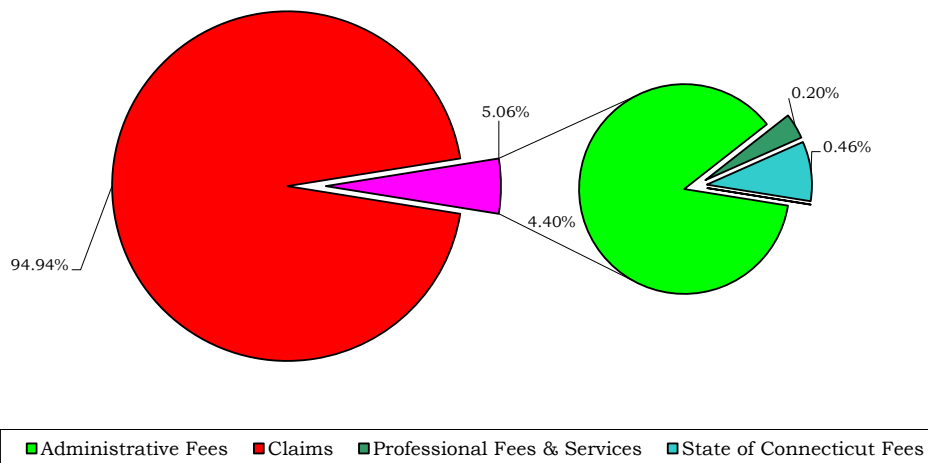
Shown on the next page is a graph of budgeted expenditures for the Internal Service Fund for 2013-2014 and 2014-2015. The claims increased by \$1,221,495 in the 2014-2015 Budget due to projected increases in health insurance claims. Workers' Compensation claims were not expected to increase due to the strong measures implemented by the Insurance Committee, a subcommittee of the City's Board of Finance.

**Internal Service Fund - (continued)**

**2013-2014 vs 2014-2015 Internal Service Budget**



**2014-2015 INTERNAL SERVICE BUDGET**



**Program Summaries-  
Internal Service Fund**

**Internal Service Fund - (continued)**

**HEALTH BENEFITS FUND**

**1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2012-2013	ORIGINAL BUDGET 2013-2014	REVISED BUDGET 2013-2014	BUDGET REQUEST 2014-2015	JOINT BOARD 2014-2015
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$86,961	\$90,000	\$90,000	\$90,000	\$90,000
454001		MISCELLANEOUS- OTHER	4	100,000	100,000	100,000	100,000
<b>TOTAL OTHER/MISCELLANEOUS RE</b>			<b>\$86,965</b>	<b>\$190,000</b>	<b>\$190,000</b>	<b>\$190,000</b>	<b>\$190,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$917,260	\$900,000	\$900,000	\$975,000	\$936,000
470016		BOE EMPLOYEE CONTRIBUTIONS	2,659,660	2,600,000	2,600,000	2,700,000	2,700,000
470017		BOARD OF EDUCATION RETIREES	1,135,263	1,750,000	1,750,000	1,825,000	1,825,000
470029		COBRA CONTRIBUTIONS	67,578	70,000	70,000	70,000	70,000
470031		PENSION CONTRIBUTIONS	243,601	260,000	260,000	260,000	260,000
470032		CITY EMPLOYEE CONTRIBUTIONS	859,751	900,000	900,000	925,000	945,000
470035		CITY RETIREE CONTRIBUTIONS	17,770	15,000	15,000	22,000	22,000
480010		OTHER AGENCIES	798,584	900,000	900,000	950,000	935,000
480011		RETIREE DEPENDENTS	54,873	55,000	55,000	55,000	55,000
<b>TOTAL CONTRIBUTIONS</b>			<b>\$6,754,340</b>	<b>\$7,450,000</b>	<b>\$7,450,000</b>	<b>\$7,782,000</b>	<b>\$7,748,000</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$7,376,400	\$8,126,320	\$8,126,320	\$9,000,000	\$8,451,375
490104		BRISTOL DEVELOPMENT AUTHORITY	87,229	80,000	80,000	80,000	70,000
490106		SPECIAL GRANTS	47,847	41,000	41,000	45,000	45,000
490108		SPECIAL EDUCATION GRANT FUNDS	583,442	375,000	375,000	415,000	415,000
490118		SEWER ASSESSMENTS	350,399	375,000	375,000	432,790	385,000
490127		SCHOOL LUNCH	423,188	448,070	448,070	479,980	465,000
490136		TRANSFER STATION	22,092	0	0	120,510	105,000
490501		BOARD OF EDUCATION	13,466,335	14,983,265	14,983,265	16,227,956	15,582,600
490710		POLICE PENSION	482,697	499,000	499,000	1,026,067	499,000
490711		FIRE PENSION	495,217	495,000	495,000	732,122	495,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$23,334,846</b>	<b>\$25,422,655</b>	<b>\$25,422,655</b>	<b>\$28,559,425</b>	<b>\$26,512,975</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$10,317	\$20,000	\$20,000	\$20,000	\$20,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$10,317</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,478,715	\$1,478,715	\$1,836,965	\$1,780,000
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,478,715</b>	<b>\$1,478,715</b>	<b>\$1,836,965</b>	<b>\$1,780,000</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$30,186,468</b>	<b>\$34,561,370</b>	<b>\$34,561,370</b>	<b>\$38,388,390</b>	<b>\$36,250,975</b>

**1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2012-2013	ORIGINAL BUDGET 2013-2014	REVISED BUDGET 2013-2014	BUDGET REQUEST 2014-2015	JOINT BOARD 2014-2015
<b>CONTRACTUAL SERVICES</b>							
531000		PROFESSIONAL FEES	\$63,022	\$9,000	\$9,000	\$80,000	\$80,000
531150		ADMINISTRATIVE FEES	(167)	0	0	10,000	10,000
531152		CIGNA ADMIN	1,092,133	1,121,080	1,121,080	1,166,820	1,155,500
531154		MEDCO ADMIN	23,391	25,500	25,500	26,265	23,000
531155		ACA REINSURANCE FEE	0	0	0	306,305	260,120
531156		ANTHEM ADMIN	104,497	120,960	120,960	113,290	111,305
531165		ACA PCORI FEE	0	0	0	9,725	9,725
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$1,282,876</b>	<b>\$1,267,540</b>	<b>\$1,267,540</b>	<b>\$1,712,405</b>	<b>\$1,649,650</b>
<b>OTHER/MISCELLANEOUS</b>							
586302		CIGNA CLAIMS	\$24,167,020	\$26,720,655	\$26,720,655	\$29,354,335	\$27,706,765
586304		MEDCO CLAIMS	4,828,160	5,284,995	5,284,995	5,614,560	5,614,560
586306		ANTHEM CLAIMS	1,222,573	1,279,180	1,279,180	1,707,090	1,280,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$30,217,753</b>	<b>\$33,284,830</b>	<b>\$33,284,830</b>	<b>\$36,675,985</b>	<b>\$34,601,325</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$31,500,629</b>	<b>\$34,552,370</b>	<b>\$34,552,370</b>	<b>\$38,388,390</b>	<b>\$36,250,975</b>

**Program Summaries-  
Internal Service Fund**

**Internal Service Fund - (continued)**

**WORKERS' COMPENSATION FUND**

There are two self-insured Workers' Compensation funds differentiated as "Old" and "New". The "Old" fund encompasses claims that occurred from 1985 through 1988. There is a balance in the "Old" fund of \$165,000 to handle all remaining claims. There is no budget for 2014-15, but the remaining \$165,000 will stay in the fund. Open claims will be evaluated on an annual basis to determine if additional funds are needed.

The "New" Workers' Compensation fund was established by the Insurance Committee, a subcommittee of the Board of Finance in 2003-04. The Insurance Committee meets monthly to review claims, strategize on improving return-to-work programs, training and communication with employees. These efforts have paid off and the City is finally starting to see a reduction in injuries. The 2014-15 budget is actually lower than the 2013-14 budget.

**1191018 NEW WORKERS COMP- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2012-2013	ORIGINAL BUDGET 2013-2014	REVISED BUDGET 2013-2014	BUDGET REQUEST 2014-2015	JOINT BOARD 2014-2015
<b>OPERATING TRANSFERS IN</b>							
454001		MISC/OTHER	\$185	\$0	\$0	\$0	\$0
490001		GENERAL FUND	3,274,285	3,270,300	3,270,300	\$3,209,205	\$3,209,205
490118		SEWER OPERATING & ASSESSMENT	75,000	80,000	80,000	80,000	80,000
490501		BOARD OF EDUCATION	565,675	565,675	565,675	565,675	565,675
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$3,915,145</b>	<b>\$3,915,975</b>	<b>\$3,915,975</b>	<b>\$3,854,880</b>	<b>\$3,854,880</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
470008		WATER DEPARTMENT CONTRIBUTION	\$75,000	\$115,000	\$115,000	\$100,000	\$100,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTION</b>			<b>\$75,000</b>	<b>\$115,000</b>	<b>\$115,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$16,927	\$12,000	\$12,000	\$12,000	\$12,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$16,927</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>
<b>NEW WORKERS COMP SELF-TOTAL</b>			<b>\$4,007,072</b>	<b>\$4,042,975</b>	<b>\$4,042,975</b>	<b>\$3,966,880</b>	<b>\$3,966,880</b>

**1198105 NEW WORKERS COMP- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2012-2013	ORIGINAL BUDGET 2013-2014	REVISED BUDGET 2013-2014	BUDGET REQUEST 2014-2015	JOINT BOARD 2014-2015
<b>CONTRACTUAL SERVICES</b>							
531150		ADMINISTRATIVE FEES	\$199,000	\$199,000	\$199,000	\$199,000	\$199,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$199,000</b>	<b>\$199,000</b>	<b>\$199,000</b>	<b>\$199,000</b>	<b>\$199,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586220		INDEMNITY	\$1,264,515	\$1,198,660	\$1,198,660	\$1,198,660	\$1,198,660
586210		MEDICAL	1,073,322	2,107,055	2,107,055	2,107,055	2,107,055
586230		EXCESS INSURANCE	225,835	370,000	370,000	275,000	275,000
589155		STATE OF CONNECTICUT FEES	131,500	168,260	168,260	187,165	187,165
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$2,695,172</b>	<b>\$3,843,975</b>	<b>\$3,843,975</b>	<b>\$3,767,880</b>	<b>\$3,767,880</b>
<b>NEW WORKERS COMP- TOTALS</b>			<b>\$2,894,172</b>	<b>\$4,042,975</b>	<b>\$4,042,975</b>	<b>\$3,966,880</b>	<b>\$3,966,880</b>